

## **FISCAL NOTE**

### **SB 2397 - HB 2418**

January 17, 2008

**SUMMARY OF BILL:** Creates the Helping Heroes Act of 2008. Authorizes certain military veterans who meet specific criteria to be eligible for a Helping Heroes Grant (HHG) equal to \$1,000 per semester when such veteran has successfully completed at least 12 semester hours of postsecondary education, or \$500 per semester when such veteran has successfully completed between 6 and 11 semester hours of postsecondary education. Require such grants be funded from net lottery proceeds.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$6,310,000 in FY08-09 and by \$5,711,000 in FY09-10.**

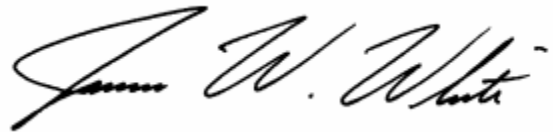
#### Assumptions:

- The Helping Heroes Grant shall be subject to the amounts appropriated by the General Assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net lottery proceeds of the state lottery.
- “Veteran” means a former member of the armed forces of the United States, or a former member of a reserve or Tennessee National Guard unit who was called into active military service of the United States, as defined in T.C.A. 58-1-102.
- Eligibility criteria includes (1) having received an honorable discharge, (2) having been a Tennessee resident for a minimum of one year immediately preceding the date of application for a HHG, (3) having been awarded either the Iraq Campaign Medal, the Afghanistan Campaign Medal, or the Global War on Terrorism Expeditionary Medal, (4) not being ineligible for a grant under T.C.A. 49-4-904, (5) being admitted and enrolled in an eligible postsecondary institution seeking an associate or baccalaureate degree, (6) having not received a baccalaureate degree, and (7) has made application for a HHG for any semester in which the veteran has successfully completed six or more semester hours of postsecondary education.

- According to the Tennessee Student Assistance Corporation (TSAC), there would be approximately 3,789 individuals that would be eligible and elect to participate in the first year of the program (2,463 full-time; 1,326 part-time).
- First-year cost of grants is estimated to be \$6,252,000  $[(2,463 \times \$2,000) + (1,326 \times \$1,000) = \$6,252,000]$ .
- One new Program Coordinator position for TSAC to administer program estimated to be \$58,000 per year.
- Total first-year costs for FY08-09 are estimated to be \$6,310,000  $(\$6,252,000 + \$58,000 = \$6,310,000)$ .
- The retention rate for first-year recipients is estimated to be 73%.
- Second-year cost of grants for returning students is estimated to be \$4,564,000  $(\$6,252,000 \times 73\% = \$4,563,960)$ .
- According to TSAC, approximately 660 new students would become eligible for the program in year two (429 full-time; 231 part-time).
- Second-year cost of grants for new students is estimated to be \$1,089,000  $(429 \times \$2,000) + (231 \times \$1,000) = \$1,089,000$ .
- Total second-year costs for FY09-10 are estimated to be \$5,711,000  $(\$4,564,000 + \$1,089,000 + \$58,000 = \$5,711,000)$ .

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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